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NAVAL SUPPLY SYSTEMS COMMAND

Purchase Card Audits by FISC PPMAP Teams

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Ready. Resourceful. Responsive!

Who?What?When? Where?Why?

- NAVSUPINST 4200.82C establishes that PPMAP teams will perform HCA audits of execution of NAVSUP authority including purchase card programs
- By means of an onsite or a “desk” audit
- (1200 annual transactions requires an onsite audit)
- Every 18 months

What will be reviewed?

- Transactions
- Internal Management controls
- Other elements

Must pass the first two categories for an "Acceptable" rating

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How are files selected for review?

- From a twelve month run of transactions taken from CITIDIRECT, we run a random sample.
- The total number of files reviewed is a statistically significant sample.
- On occasion, other (additional) files may also be reviewed if determined advisable.

Transactional Review

- Six Categories to be reviewed
  - Unsupported questionable vendors (Examples)
    - Liquor, video stores
    - High-end, upscale stores
    - High profile
  - *Misuse*
    - More than minimum needs
    - Prohibited
    - >$2,500
    - Someone other than CH used the card

Transactional Review (continued)

- Abuse
  - Not for Government use
  - Underlying problems (pay too much)
  - Ratification of unauthorized *commitments*
- *Failure to Use Mandatory sources*
  - JWOD
  - DPS
- No Receipt
- Lost file (each one counts as a discrepancy)

Review of Internal Management Controls

- **Nine Categories to be reviewed (Must pass five)**
  - ***Span of Control 1 AO:7 CH***
  - ***Equitable distribution of business (based on all transactions)***
  - ***Semi – annual internal review***
    - **APC's vigilance in protecting the command**
    - ***April-September and October-March***
    - ***Must cover specified areas of 4200.1***

Review of Internal Management Controls (Cont.)

- *Training*
  - *DoN eBusiness computer based training (Required every 2 years)*
  - *DAU training (Required once)*
  - Internal Operating Procedures (IOP)
  - Refresher training (2 years)
  - Ethics (if $100k for CH and all AOs)
- *Repeat Findings (one allowable)*
- *IOP*
- *Separation of duties*
- *Separation of function (Buyer/Receiver)*
- *Splitting*
  - *Based on all transactions not sample*
  - *Allowable discrepancies*

Review of Other Areas

- **Not pass/fail review**
  - ***Delinquencies***
  - ***Appointments***
  - ***Plant property***
  - ***Reporting***
  - ***Disputes***
  - ***Convenience check account***
    - **Annual review**
    - ***Approvals***
    - ***Secure checks (locked)***

Rating Process

- **Acceptable or Unacceptable**
  - ***If Acceptable***
    - **reply in 30 days to any findings**
    - **next review in approximately 18 months**
  - ***If Unacceptable***
    - **Purchase card training stand down by PPMAP analyst for program participants**
    - **Prepare POA&M**
    - **Lose use of card until actions taken**
    - **Confirmation audit in 180 days**

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Preparing for the Audit

- APC brief CO/management (including level 3 and 4 APCs)
- Review announcement letter and instructions
- Gather all management information (training records, appointments, etc.)
- Locate all transactions
- Ensure corrective actions taken on all prior audits
- Ensure your personnel are ready

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After the Audit

- Review the report
- Take corrective actions
- Document corrections
- Report back to PPMAP
- Follow-up periodically
- Keep abreast of changes
- Train program participants in changes
- Perform required reviews
- Keep managers informed
- Own the program

Points of contact

- **PPMAP teams are available to assist**
- **East Coast (East of Mississippi River)**
  - ***NC/SC/GA/Fl (843) 743-7406 or 7407 (DSN 563)***
  - ***Other states (757) 443-2060 or 2061 (DSN 646)***
- **West Coast**
  - ***(619) 532-3402***